

**BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON
BOARD MEETING MINUTES
November 26, 2012**

The Board of County Commissioners for Lewis County, Washington met in regular session on Monday, November 26, 2012 at 10:00 a.m. **Commissioners F. Lee Grose, Bill Schulte, and Ron Averill** were in attendance. **Chairman Grose** determined a quorum, called the meeting to order and proceeded with the flag salute. **Commissioner Averill** moved to approve the minutes from the 10:00 a.m. meeting held on Monday, November 19, 2012. **Commissioner Schulte** seconded the motion.

Motion Carried 3-0

PUBLIC COMMENT

Chairman Grose asked for public comment and there was no comment.

NOTICE

Commissioner Schulte moved to approve Notice Agenda items one through four. **Commissioner Averill** seconded the motion. Candace Hallom, Administrative Assistant, read the items into the record.

1. **Notice of Hearing: Regarding the 2013 Vader Water System Final Budget. Hearing will be held on or after 10:00 am, on Monday, December 10, 2012. Resolution No. 12-356**

Dawna Truman, Budget Director, stated this notice will be published in The East County Journal on November 28, 2012 and December 5, 2012 and in The Chronicle on November 29, 2012 and December 6, 2012. The Board of Lewis County Commissioners will meet on Monday, December 10, 2012, on or after 10:00 a.m., for a public hearing to adopt the 2013 Vader Water System Budget. This hearing will allow citizens an opportunity to ask questions and speak for or against the 2013 Vader Water System Budget.

Commissioner Averill stated that we have been taking over receivership of this system for over a year now. Since we are running the system for Vader it is necessary to do a budget.

2. **Notice of Hearing: Regarding the 5th 2012 Budget Amendment. Hearing will be held on or after 10:00 am, on Monday, December 10, 2012. Resolution No. 12-357**

Dawna Truman, Budget Director, stated this notice states that a public hearing will be held before the Lewis County Board of Commissioners in the Historical Courthouse, 351

NW. North Street, Chehalis, Washington, on the 10th day of December, 2012. The hearing will be held on or after 10:00 a.m. This notice will be published in The East County Journal on November 28, 2012 and December 5, 2012. This amendment proposes increasing expenditures in the amount of \$9,408,461.00 and increasing revenue in the amount of \$9,369,980.00 with a decrease in fund balances in the amount of \$38,481.00. These amounts are all subject to change prior to adoption. Due to Governmental Accounting standards we now have to budget bonding or refunding of bonds as an expenditure. \$9.1 million of this budget amendment are refunding of bonds that we already had in order to get a lower interest rate.

3. Notice of Hearing: Regarding classifications of various land parcels. Hearing will be held on or after 10:00 am, on Monday, December 10, 2012. Resolution No. 12-358

Dianne Dorey, Lewis County Assessor, stated we have several parcels on which we have reviewed applications and inspected the parcels for transfer into Open Space Timber. These parcels have been in various other classifications and because of their change of use, they are allowed to transfer into Open Space Timber if they have commercially harvestable timber. The Hearing will be on December 10, 2012 on or after 10:00 am in the Commissioners Hearing Room.

Commissioner Averill stated there are around 45 parcels in this particular submission for classification changes.

4. Notice of Hearing: Regarding amendments to the Lewis County Comprehensive Plan and changes to zoning maps. Hearing will be held on or after 10:00 am, on Monday, December 17, 2012. Resolution No. 12-359

Lee Napier, Director of Community Development, stated the proposed action will amend the Comprehensive Plan land use maps, and the Lewis County Code Chapter 17.200.020(1), reflecting the zone changes requested by property owners pursuant to the Growth Management Act, RCW Chapter 36.70A and bring the county into compliance with RCW 36.70A.130(1)(d). The following is a list of the zone change requests: *Repeal of Ordinance 1219, Section 5 and Resolution 10-359, Section G (Forecastle)(Forest Land of Local Importance to Forest Land of Long-Term Commercial Significance); MSC10-0102 (Small Town Industrial to Small Town Mixed Use) (Hampton Lumber); MSC10-0103 - REMAND (Agricultural Resource Land to RDD-10) (Gastfield)*. The Planning Commission held two workshops and a public hearing on the amendments and considered testimony of the public along with staff recommendations. The hearing will be on or after 10:00 am on Monday, December 17, 2012.

Motion Carried 3-0

CONSENT

Commissioner Averill moved to call item 5 Resolution No. 12-348 from the table. **Commissioner Schulte** seconded the motion. Candace Hallom, Administrative Assistant, read the item into the record.

5. Resolution No. 12-348 Approving funding from Fund 198 Stadium Funds to agencies for tourism related activities. (Pulled from November 19, 2012 BOCC Meeting)

Commissioner Averill stated this approves funding from the Stadium Fund 198 (Lodging Tax Dollars) for 2013 in the amount of \$286,000.00 to agencies providing tourism related activities in Lewis County pursuant to RCW 67.28.180. The county receives a distribution of 2% of the state retail sales tax on lodging in Lewis County, which is not an additional tax for customers but represents sharing of the retail sales tax receipts. Agencies are eligible to apply to Lewis County for a portion of the "Stadium Funds" if they have a project or activity that promotes tourism in Lewis County. 14 different agencies will be receiving funds to be applied towards multiple activities. These awards are based on recommendations made by the Lewis County Lodging Tax Advisory Committee as amended by the Lewis County Board of County Commissioners. One agency (Southwest Washington Dance Center) was deemed not to meet the criteria; the White Pass Country Historical Society was raised \$5,000.00; and, the Lewis County Historical Museum was lowered by \$7,500.00. The latter reduction is the amount the Museum requested from the City of Centralia and was not awarded. The Museum represents all jurisdictions in Lewis County and the unincorporated residents of Lewis County should not be expected to be the sole supporters. This decision may be revisited. We believe that the support of activities should be from all of the jurisdictions and not just from Lewis County itself. If the Historical Society decides to go back to the City of Centralia and Centralia should award funding to the Historical Society to run their operations then Lewis County would reconsider their position and match dollar for dollar on what is awarded to the museum. There is a belief by some that there are restrictions on what can be used for lodging tax funding. It is specifically cited in the RCW that museums are eligible for lodging tax funds. Lodging itself does not draw people to the community. What draws people to the community are activities that we have that promote tourism.

Motion Carried 3-0

Commissioner Averill moved to approve Consent Agenda items six through nine. **Commissioner Schulte** seconded the motion. Candace Hallom, Administrative Assistant, read the items into the record.

6. Resolution No. 12-360 Approval of warrants and payroll for payment.

Commissioner Averill stated this Resolution approves 10 Special Purpose warrants (Vader Water System) for \$1,475.74 and 335 warrants issued by the Auditor's Office for \$1,179,380.92, totaling \$1,180,856.66. Also approves 263 warrants for net withdrawal on payroll totaling \$239,842.00.

7. Resolution No.12-361 Approving an agreement with the WA State Office of Public Defense for Public Defense Improvement Funds.

Commissioner Averill stated this Resolution approves an agreement between Lewis County and the Washington State Office of Public Defense for Public Defense Improvement Funds in the amount of \$100,833.00, for the period January 1, 2013 through December 31, 2013. This is a statutory formula distribution (RCW 10.101) for the purpose of improving the quality of public defense services in Washington State Counties. The Board of County Commissioners coordinates expenditures with the Lewis County Superior and District Courts.

8. Resolution No.12-362 Approving contracts with White Pass Community Services and Lewis County Shelter Program.

Danette York, Director of Public Health and Social Services, stated this contract will provide funds for Lewis County local agencies that provide services to homeless and at-risk persons. This includes rental assistance, utility assistance and essential needs for Medical Care Service recipients in Lewis County. These funds will be used according to Department of Commerce Housing and Essential Needs Grant guidelines. The Housing and Essential Needs Grant (HENG) is one of the programs created by Engrossed Senate House Bill 2082 that terminates the Washington State Disability Lifeline Program. These funds are awarded to Counties to be distributed to Homeless Housing agencies. Funding comes from Department of Commerce and then Lewis County Public Health and Social Services distributes the funds to local agencies. These funds have very specific guidelines approved by DSHS. The duration of these contracts are July 1, 2012 through June 30, 2013. The total budget amount is \$575,103.00, White Pass Community Services will receive \$129,188.00 and Lewis County Shelter Program will receive \$445,915.00.

9. Resolution No.12-363 Adopting a schedule of fees for Community Development, Public Works, and Public Health and Social Services.

Danette York, Director of Public Health and Social Services, stated the approval of a resolution amending the Lewis County Schedule of Fees for permits and administrative approvals for the departments of Community Development, Public Works, and Public Health & Social Services would take effect on January 1, 2013. The amended Schedule of Fees is attached as Exhibit A.

Lee Napier, Director of Community Development, explained the changes to the fee schedule to category A.

Commissioner Averill stated the standard for fees is we charge what it cost to provide a service. Annually, we have to relook at all of the fees to determine if we are drawing out more or charging less in fees than it is costing us to provide the services.

Danette York explained the changes to category B. There are no changes to the Public Works section of the fee schedule.

Motion Carried 3-0

HEARING

Hearing: Impact Fee Ordinance 1242

Chairman Grose announced the hearing and asked for a Staff Report. Copies of the proposed ordinance are available at the table behind the podium.

Glenn Carter, Prosecutor's Office, stated the purpose of this hearing is to take public testimony on a proposed framework for collecting transportation and school impact fees, however, no impact fees will be approved today. If the BOCC adopts the proposed frame work, the County may set specific fees in 2013. If and when the County does this, another public hearing will be held and the public will have an opportunity to testify and comment as to those proposed fees. Impact fees are charges assessed by local government that attempt to recover the cost of providing the public facilities required to serve new development. Impact fees can only be used to fund public facilities such as roads and schools that are directly associated with new development. Impact fee projects are intended to address system improvements and not specific projects. Impact fees pay only a portion of the system facilities that benefit new development. They cannot be used to correct existing system deficiencies. This fee is one way to guarantee the funding is available when the impact of development occurs. In the proposal before the BOCC, we are only addressing school facilities and transportation facilities.

Lee Napier, Director of Community Development, stated the purpose of this presentation is to provide some framework and context about the legislation and plans that support the consideration of the County Commissioners to adopt the proposed framework to collect transportation and school impact fees.

The **Growth Management Act (GMA)** is the land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or "opted in" to fully plan under the Act. The GMA includes numerous requirements relating to the use or development of land in urban and rural areas. For today's consideration I will highlight the following:

1. designation of Urban Growth Areas;
2. optional consideration to authorize new fully contained communities;
3. Comprehensive Plan, and
4. Capital Facilities Plan.

Counties fully plan under the GMA must designate **Urban Growth Areas (UGA)**. You will recall that UGAs are areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature. In these areas growth and higher densities are expected with the support of urban services. Prior Boards of Commissioners adopted three types of Urban Growth Designations for Lewis County:

1. Cities;
2. Fully Contained Communities; and
3. Non-Municipal UGAs (Major Industrial Development and Economic Development).

I would like to remind the Board and audience that designation of urban growth areas is a planning commitment to provide urban services during the planning horizon (considered to be 20 years). Any county planning under the GMA may authorize the siting of new **Fully Contained Communities**. This area would be located outside of initially designated UGAs if specific requirements are met. The designation of UGAs and the commitment to provide services is further established in comprehensive and capital facilities plans and subsequent amendments. As I am sure you realize, UGAs are designated in the Land Use Element of the **Comprehensive Plan**. A companion element for aligning UGAs to urban services is the **Capital Facilities Element** and its associated detailed Capital Facilities Plan (CFP). One of the requirements of jurisdictions fully planning under the GMA is a capital facilities plan element in their comprehensive plans. The capital facilities plan describes capital projects with estimated costs and proposed methods of financing that is updated annually. The capital facilities plan implements the land use element of the comprehensive plan, and these two elements, including the financing plan within the capital facilities element, must be coordinated and consistent. As Glenn Carter mentioned, a description of the services must be current in the capital facilities element before a jurisdiction can impose impact fees.

Glenn Carter explained the background of the County Planning Commission and County Commissioners of approving the creation of Urban Growth areas outside of incorporated areas. He provided the history of the Birchfield project. The application for the fully contained community was filed in 1999 and then amended in 2000. In 2004 Birchfield was designated by a prior BOCC as a fully contained community in Lewis County. The final condition of the approval of the fully contained community is the establishment of impact fees. As part of this process the school districts did submit Capital Facilities Plans which were incorporated into the Capital Facilities element. Because the plans were based on an analysis for needs and planning in 2008 the school districts will need to submit updated plans.

Tim Elsea, Director of Public Works, discussed in general terms how impact fees are determined. He introduced Larry Toedtli, who is a principal with the Transpo Group and is certainly a leader in the field of transportation engineering, and Erik Martin, who worked closely with Larry in developing the framework for Traffic Impact Fees.

1. The first thing we needed to do was verify zoning because zoning will determine how and where growth will occur. All these will contribute to future transportation needs.
2. Then we needed to project increased traffic and model how that traffic will affect the transportation system.
3. Part of the way that we determined future needs was to review several growth related documents that have already been produced including:
 - a. the Lewis County secure transportation improvement program 2009 through 2014;
 - b. the South Lewis County subarea plan transportation element which was produced in February 2010;
 - c. the Cowlitz Wahkiakum Council of governments Metropolitan and regional transportation plan 2008 through 2028;
 - d. the Washington state Department of Transportation Highway system plan 2007 through 2026; and
 - e. the Birchfield master plan.
4. So then we needed to model the traffic generated in future years, so we looked at traffic that would be generated in the year 2016 to the year 2030. I know this is a long time to project out but the Cardinal sin of the transportation engineer is to have road segments or intersections sneak up on you and deteriorate to an unacceptable level of service without having a funding source to make needed improvements.
5. So from that model and from reviewing the previous documents we were able to see deficiencies in the transportation system that would arise with increased traffic.
6. Once those deficiencies were identified, and that would be something like Harrison Avenue reaching capacity and operating an unacceptable level of service, we developed and identified mitigation measures/projects to correct future deficiencies.
7. So we created a list of several dozen projects, and the next thing to do was to vet those projects to ensure that we removed non-growth related transportation needs such as safety, maintenance, preservation, and roadway reconstruction.
8. Then we needed to determine what portion of the future traffic is anticipated to be caused by development outside of the unincorporated Lewis County. In other words, growth will not only occur in an envelope in Lewis County it will also occur in the incorporated cities and also in the surrounding counties. We need to ensure that growth in the unincorporated areas is not asked to pay for increased traffic that it did not generate.
9. So the idea then, was to determine what percentage of future traffic and therefore what percentage of the cost of future improvements should be paid by growth and

what should be paid by other funding sources. In other words if background traffic increases that are unrelated to growth in unincorporated Lewis County account for 40% of the new trips that will use a growth related project, then only 60% of that project should be charged to that growth-related project.

10. Now with that said, there can also be other funding sources or other economic realities that allow for the decision-makers to again adjust the percent to be paid by growth related projects. If we are able to receive Tiger grant funding for the Harrison Avenue project improvements, we can reduce the amount of that project to be paid by development.
11. On a parallel tract, we also needed to determine transportation service areas. The growth management act provides that traffic impact fees be developed using one or more transportation service areas. In the County, if we are all growing at one rate, it would make sense to have one transportation service area; but in Lewis County, the growth is generally along the I-5 corridor, and of course in Birchfield. The East and West areas of the County are projected to grow at a much slower rate.
12. A common way of thinking about transportation service areas is to think about traffic sheds. Traffic sheds act much like watersheds, in other words in watersheds drainage ditches feed streams which feed rivers which feed lakes. In traffic sheds, local access roads feed collectors which feed arterials which feed cities or other urban areas. If you look at the exhibit you'll notice that we broke Lewis County into six transportation service areas, and honestly these traffic sheds pretty much identified themselves. You will notice that Transportation Service Area 1 encompasses the areas that feed into Centralia along the I5 corridor, Transportation Service Area 2 encompasses the areas that feeds into the southern portion of Chehalis to just south of Napavine, Transportation Service Area 3 encompasses the areas that feeds into Winlock, Toledo and Vader along the I5 corridor. Transportation Service Area 4 is Birchfield, and this makes sense because of the density of growth expected with that fully-contained community. Finally, Transportation Service Areas 5 and 6 encompass the East and West ends of County respectively. These transportation sheds basically presented themselves to us as we were looking at how traffic flows in the county.
13. Once the transportation service areas were established we then will have to go project by project to determine the percent of each improvement to be paid by each transportation service area. In other words, we need to determine what relative benefit each project will have for each service area. Transportation service area one may receive 75% of the benefit from a Harrison Avenue improvement, while transportation service area five may only receive 2% of the benefit from that improvement, so we need to account for those differences.
14. So once we assign percentages of each improvement to each transportation service area, we can establish the total dollar amount that would be paid by each transportation service area. Then, looking at growth in those areas and, therefore

number of trips generated, we can assign a base trip rate for each transportation service area. In other words, if the total amount that transportation service area 5 should pay for all of the improvements is \$100 and transportation service area five is expected to generate 25 trips, the traffic impact fee would be four dollars for each trip generated adjusted by two adjustment factors.

15. The first adjustment factor is a pass-by trip adjustment factor. Simply put, not all development generates 100% of the trips that go to the establishment. As an example, convenience stores rarely generate trips. They mainly generate pass by trips unless it is 2:00 in the morning. I have a convenience store that I pass every morning on my way to work, sometimes I stop at that convenience store to get a cup of coffee, that is considered a pass-by trip and adjustment is made so that that business does not have to pay for a full trip generation.
16. The next adjustment factor is a trip length adjustment factor. The idea behind a trip length adjustment factor is fairly simple; essentially, trips from different land uses impact the transportation system to different degrees based on the length of the trip. In other words, a trip to a convenience store is generally a much shorter trip than a trip to or from work and, therefore, has a lesser overall impact on the County's road system.
17. Now with all of that said, the decision-makers, County Commissioners, also have to take into account current economic realities and balance the idea of growth paying for growth against the need to encourage development and may choose to lower the percentage paid by growth related projects.
18. Now I know were not here today, to discuss traffic impact fees, but when Erik Martin presented this program to the Master Builders, one of the criticisms we received was that they didn't have information to base any decisions on because we could not give them a scale of what the traffic impact fees would be. I am going to do that today, understanding that these are drafts and that no impact fees will be adopted in the future without another public hearing.
19. First of all, I'd like to talk about the transportation service areas that I discussed before. Transportation Service Area 1 is the one around and north of Centralia going up to the county line; Transportation Service Area 2 is from Chehalis to south of Napavine, again along the I5 corridor as that is where we expect growth in Lewis County; Transportation Service Area 3 is along the I5 corridor but encompasses Winlock, Toledo, and Vader; Transportation Service Area 4 (by the way, this map I'm citing is drawn slightly wrong as this (pointing) should be raised north of Middle Fork Rd. but that is the Birchfield fully-contained community); Transportation Service Area 5 is on east county; Transportation Service Area 6 is in west county.

Commissioner Averill asked if the transportation service areas exclude the incorporated towns and cities. Tim Elsea confirmed that the traffic impact fees will not be collected in the incorporated cities.

Tim Elsea continued:

As we went through and developed growth-related deficiencies, or projects, within the county, we had nine growth-related projects that wound up on the system that could make sense at the time that this was created. The first one, Airport Rd, has been scratched from the list of anything we're looking at right now because it is already being funded and already being constructed. The second one is Harrison Ave. improvements. There is going to be commercial and industrial development along Harrison Ave. north of Centralia to the county line and it will need improvements to support that development which could include center turn lanes, etc. The Bishop and Rush Road intersection will be included in the future. If the Port builds out, we're going to run into unacceptable levels of service at that intersection and will probably need to signalize that intersection.

We also looked at several projects such as Middle Fork Rd rehab project, which is mainly there to service the fully-contained community but will also service other areas of the county. Additionally, we had several SR 505 projects to help support the South County Subarea Plan for the development between Toledo and Winlock.

We also developed a plan that removed many of the SR 505 projects, as we have to readjust our model as there may be negative growth or we may not see the growth our model predicts.

We developed another scenario and I'm going to show three funding scenarios momentarily. That scenario removed all SR505 projects except for a passing lane going from the interstate going up to Knowles Road. Commissioner Averill questioned whether it included the interchange and Tim confirmed we included the cost of improving some of the interchange but mainly the cost of the passing lane.

Funding scenarios (drafts) presented:

Option A: For all of the first nine projects presented minus the Airport Rd. improvement project. Total cost of the improvements would be a little over \$42.7M. When removing non-growth related traffic, the cost associated with that is 63% (\$26M). We are currently proposing for growth related projects to pay for \$17.5M (41%) of the total cost of those improvements.

Option B: Removing all projects from SR 505 except for passing lane and Middle Fork Rd funded at 100% by growth-related projects. Total cost \$33.9M, but will ask development to pay for \$20M after removing non-growth related costs, but have actually readjusted that again bringing it down to 41% of total project cost, which is \$13.9M.

Option C: Same number of projects but has taken the cost of the Middle Fork Road improvements and are funding that at 75% by growth-related projects.

Option A would provide for traffic impact fees of \$617 in Transportation Service Area 1; \$517 Transportation Service Area 2; \$600 in Transportation Service Area 3; \$2500 in Transportation Service Area 4 (Birchfield); \$85 in Transportation Service Area 5; and \$182 in Transportation Service Area 6.

Skipped Option B.

Option C would provide for traffic impact fees of \$311 in Transportation Service Area 1; \$362 Transportation Service Area 2; \$191 in Transportation Service Area 3; \$1900 in Transportation Service Area 4 (Birchfield); \$43 in Transportation Service Area 5; and \$95 in Transportation Service Area 6.

Tim reminded everyone that this information is strictly a draft at this time.

Commissioner Averill asked if impact fees were only for unincorporated areas of the county. Tim confirmed they were and restated that these fees were only for new houses and new construction.

Marnie Allen explained how school impact fees are addressed. Talked about how when county is planning for growth, it must include planning for urban services. Urban services under GMA include public schools. As a general rule, school districts have three sources of funds. Those funding sources are 1) property taxes (with 60% voter approval); and 2) state matching funds. The third source is either SEPA mitigation or school impact fees. Generally, SEPA or school impact fees only pay ~10% of total cost to build a new school. Negative growth and school impact fees: unless a school district experiences growth, no request for school impact fees will be requested. Marnie went on to explain how the final decision to adopt school impact fees is ultimately made by the County Commissioners, who take into consideration the recommendations of the school board. A school impact fee is calculated taking cost of building a school facility (\$12M, for example) divided by the number of students using that facility (500 for example, would result in a \$24,000 cost per student), then figure the 'student factor' district-wide (how many houses in new developments divided by the number of students enrolled in school living in the new houses; using the example, that number would be .3 students per house.) Then take the cost per student (\$24,000) multiplied by the student factor (.3) and the result is the true cost to the school system for every new house (\$8,000 using our example).

The formula has three deductions:

- 1) discount to builders of anticipated state matching funds (different for each district);
- 2) credit for taxes as a majority of schools will be paid from property taxes through a bond (many considerations in the formula);
- 3) reduction of fee by additional 15% to ensure new houses are not paying more than their fair share.

Marnie Allen spoke in favor of the ordinance as it enables school districts to plan for the future. Also commented on low income housing exemption. Builders of low income housing often cannot afford to pay school impact fees, yet low income housing often yields many students, so requested Section 18.20.040, Paragraph 1A be stricken from the ordinance.

Glenn Carter noted that there is also a low income housing exemption in the transportation impact fee in Section 18.20.040, Paragraph 2A.

Arnold Haberstroh, 159 Wallace Rd, Chehalis, WA, asked why schools wouldn't set bond amount high enough to be distributed throughout the whole district; also why would we discriminate against a new, higher-taxed piece of property over existing piece of property. Arnie explained that new development impacts schools as it yields many students and should be subject to paying impact fees.

Glenn Carter stated that RCW 82.02.050 specifically provides for this situation, i.e., only new development is assessed impact fees. Under transportation impact fee and school impact fee and under RCW 82.02.050, the formulae take into account prospective tax collections from the new development.

Adam Kugel, 109 Woodcrest Drive, Chehalis, WA, asked what members of the local development community have been consulted on this. Commissioner Schulte explained that public hearings such as this one are designed to gather input from the community and maintain transparency in doing so. Mr. Kugel commented that the motion to approve implies that the decision has been made already and Commissioner Grose explained that there has to be a positive motion made to either be denied or approved.

Commissioner Averill stated this process has been going on for over 20 years. This discussion has gone before the hearing examiner and planning commission, and is now coming to fruition because of the hearing examiner's requirement of approval of the FCC's and impact fee.

Adam Kugel questioned who has authority on these impact fee issues (moratorium, reduction of fees, adopting fees.) Commissioner Averill answered that the County Commissioners have ultimate authority regarding adopting the fees for the unincorporated areas of the county, but that does not put any mandate on the cities to do likewise. Commissioner Schulte explained the county's use of a consultant to gather information as well in making decisions regarding this.

Mr. Kugel asked for clarification that recommendations made by Public Works and school districts for fees needed for projects/schools are or are not automatically approved by the Board. Commissioner Grose commented that they consider the information and use it in making their decision.

Commissioner Averill moved to recess at 12:10 pm for 15 minutes. Commissioner Schulte seconded. The BOCC came out of recess at 12:25 pm

Commissioner Averill addressed Mr. Kugel's question regarding whether the Board could restrict where impact fees are assessed. Glenn Carter commented that the county cannot discriminate and impose fees only on a particular project.

Glenn Carter announced that Appendix A was not attached to the handout, which is referenced in the proposed ordinance and details where the particular transportation service areas are.

Mark Conner, 124 Fickert Rd, Onalaska, WA, asked if county is considering expanding the Middle Fork Rd improvement further out and if these impact fees can go to fire protection districts.

Tim Elsea said some projects will be handled under the SEPA process and not paid for by other growth-related projects.

Glenn Carter stated back in 2008, the statute did not provide for fire district improvements to be part of the impact fee process; since then, it has been amended to permit their inclusion. Today's discussion is strictly on transportation and school impact fees, though.

Erik Martin, Maintenance & Traffic Engineer, LC Public Works, spoke to Mr. Conner's question re the Middle Fork Rd improvements. The traffic impact analysis done originally for Birchfield EIS addresses several intersections between Middle Fork and I5 as potential SEPA projects, and would have to be reviewed again when specific proposals for Birchfield or other developments arose.

Scott Nolan, 560 Tauscher Rd, Chehalis, WA, asked which will come first, the road or the development.

Tim Elsea stated impact fees will be collected as part of building permits and not as part of development approval. There are several ways to do it. The problem is if you collect the fees up front but don't have the traffic to construct the needed improvement for many years, sufficient fees may have not have been collected to construct those improvements; however, if you wait and collect the fees at the permit issuance stage, another funding source will have to be used to construct the improvements and then be repaid over the life of the project once you get billed out.

Scott Nolan asked for clarification on fire districts. Glenn explained that in 2010, the legislature amended the ordinance to include fire districts and provided that fire districts could be addressed through impact fees.

Adam Kugel asked about refunding impact fees that are collected but not used within a certain period of time.

Tim Elsea confirmed Mr. Kugel was correct as stated in the RCW and the ordinance as well; understanding, though, that the impact fees can be used for any project on the transportation impact fee program and are in the capital facilities portion of the comprehensive plan. There is a 10 year termination period within each category, i.e., must use for designation under which collected.

Kyle Heaton, 551 North Fork Rd, Chehalis, WA, asked if impact fees were strictly for residential or include commercial/industrial development. Tim Elsea confirmed commercial/industrial as well.

Re: transportation impact fee formula Is this addressing peak hour trips? New trips?

Tim Elsea stated it was addressing PM peak hour trips as discussed in Institute of Transportation Engineers Trip Generation Manual (ITETGM). There are provisions that engineers can use their own traffic analysis if not covered in the ITETGM.

How does that relate to the urban growth areas, are they considered to be unincorporated and therefore imposed upon them? Tim Elsea says they would be considered unincorporated and full under this ordinance. Commissioner Averill clarified that if a city annexed an improved area, then they would have to pay back the County for the improvements.

Chairman Grose asked if there were any more questions. There were none. He closed the question and answer portion of the hearing and opened the formal hearing.

Glenn Carter, Lee Napier, Marnie Allen, and Tim Elsea asked that their previous comments be adopted into the record.

Steve Bodnar, Centralia School District, stated he is here to support the school impact fees as new development creates demands on school districts. He cited that the City of Centralia currently collects the equivalent of school impact fees and they have not seen a decline in development.

Scott Fenter, Superintendent of Onalaska School District, stated the Onalaska School District is small (2B) with 700 students currently enrolled, with a remaining capacity between the elementary, middle and high schools of less than 10 students per grade level. The district has not seen significant growth, has actually declined, but the growth of Birchfield will have a significant impact on the school district, i.e., an increase of students they will not be able to absorb without impact fees.

Virgil Fox, Birchfield, stated jobs and economic growth are what Lewis County needs and impact fees are part of the solution to generating both. Disagrees that impact fees will stifle growth and thinks without financing future growth, it will not occur.

Rick Jones, Superintendent Napavine School District, spoke in favor of impact fees as they help school districts provide portable classrooms to mitigate the growth as it is

happening before having the opportunity to pass bonds to build or improve schools. He encourage the county to adopt as the City of Napavine discontinued impact fees citing the inequity in the county's not doing so, and feels Napavine will follow county's lead.

Mark Conner, Fire Chief, Lewis County Fire District 1, stated he is disappointed that this does not include impact fees for the fire district. Would like to see fire services included with these fees. Would like to see ordinance rewritten to include fire districts before adopted.

Steven Barnette, 120 Penrose Lane, Chehalis, WA, stated when imposing impact fees on single family homes, impact fees are included in the mortgage and, hence, incur interest charges for the life of the loan. Feels taxation should occur after the house is built, jobs created.

Adam Kugel, Builder, stated as a builder he is opposed to the impact fees and feels there are other avenues for building roads, etc. Feels SEPA process is much more effective in funding these projects and impact fees are a penalty on the producers.

Don Koidahl, Master Builders, stated he is opposed to the impact fees. Too many regulations, impact fees, restrictions on builders. Killing jobs.

Angela White, Government Affairs Director for OMB, stated that OMB feels that if Lewis County adopts impact fees based on Birchfield's wanting to be a fully-contained community, then Lewis County is failing to consider the benefits other builders and developers are bringing to Lewis County. Feels impact fees are inequitable as they are imposed only on people purchasing new homes. Builders provide three jobs for every single family home built and feel impact fees are a step backward.

Scott Nolan, Chehalis, resident and president of Lewis County Master Builders, stated opposition to the impact fees and encouraged the board to vote against them. Knows of consumers and professionals who have withdrawn their participation in areas imposing impact fees.

Carmen Rowe, 568 Tauscher Rd, Chehalis, WA, with Lewis County Master Builders, served as general counsel for Olympia Master Builders, currently on their board, stated push from particular development doesn't take into consideration the needs of the rest of the community. Legally speaking, hearing examiner's requirement should not be reason enough to impose impact fees. Feels threat of lawsuit not reason enough to proceed with adoption of impact fees.

Eugene Butler, 196 Taylor Rd, Chehalis, WA, stated he is here to support the ordinance but asked for it to be tabled to correct deficiencies. Property tax base not sufficient to cover added public costs associated with residential development.

Marnie Allen testified in support of adoption of the ordinance. SEPA is not predictable and school impact fees are more equitable way to address those demands. No

evidence that school impact fees quash development or cause price of housing to increase.

Karen Knutsen, Onalaska, stated she fully supports this ordinance and feels they are fair and necessary. Feels ordinance has deficiencies that are problematic. The only issue with this ordinance is the language of the statute once passed will not be able to obtain a building permit as RCW 18.20.030 states no building permit or development approval shall be issued unless impact fees are calculated and paid pursuant to the statute.

Gary Fox provided written testimony.

Kyle Heaton, Port of Centralia, asked that this ordinance not be passed.

Commission Schulte stated he felt this ordinance was not in the best interest of Lewis County at this time.

Chairman Grose asked if there were any other statements for public testimony. There were none. He closed the hearing and asked for a motion.

Commissioner Averill moved to table this ordinance. Commissioner Schulte seconded the motion.

Commissioner Averill stated if we create this impact fee we have to do it for all development and not just for one. Impact fees are not common in rural areas, but we are on the I5 corridor, so growth, and impact fees, are inevitable. There are some areas in the Ordinance that need to be clarified. One area is implementing without a set of fees. Also needing addressing is inclusion of the fire districts and exempting low income housing for school impact fees.

Chairman Grose stated when this issue first came up six years ago, he had concerns with it in general. Common is questioning why property taxes are insufficient to cover costs. Also of concern is a blanket rate and not being able to direct payment of impact fees to particular developments.


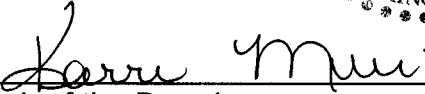
Glenn Carter stated the ordinance can be reintroduced with fee schedules, project lists and Transportation Service Areas. If this is tabled to later be reintroduced as a comprehensive proposal that addresses not only TSA but impact fee schedules and project lists, that can be done at the time we have adopted amendments to our Capital Facilities plans. Fire districts and exemptions for low income housing can be worked into a proposed comprehensive impact fee ordinance and addressed at the same time. Basically, it goes from a two-step proposal to one-step proposal, generally accomplished in same time frame.

Motion to table to future date carried 3-0.

There being no further business, the Commissioners' public meeting adjourned at 1:45 pm on November 26, 2012. The next public meeting will be held Monday, December 3, 2012, at 10:00 a.m.

Please note that minutes from the Board of County Commissioners' meetings are not verbatim. A recording of the meeting may be purchased at the Commissioners' office.


ATTEST:



Clerk of the Board
Lewis County Commissioners

**BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON**


F. Lee Grose, Chairman


P.W. Schulte, Commissioner


Ron Averill, Commissioner

